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3) Ozawa meets with U.S. Assistant Secretary of State Campbell

NIKKEI (Page 2) (Full)  
February 3, 2010

Democratic Party of Japan (DPJ) Secretary General Ichiro Ozawa met yesterday with U.S. Assistant Secretary of State Curt Campbell in the Diet building. They apparently exchanged views on the relocation of the U.S. Marine Corps' Futenma Air Station in Okinawa Prefecture and other issues. After the meeting, Campbell told reporters: "We exchanged views on general Japan-U.S. relations." The meeting was held at the U.S. side's request. In accordance with Ozawa's wish, a press briefing was not held.

4) Campbell: "The current Futenma relocation plan is the best option

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NIKKEI (Page 3) (Full)  
February 3, 2010

In an interview with the Nikkei in Tokyo yesterday, visiting U.S. Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell said in reference to the relocation of the U.S. Marine Corps Futenma Air Station in Okinawa: "We believe the existing bilateral agreement is the best approach." He also reiterated the U.S. stance of observing developments in the Hatoyama administration, which is studying the relocation issue from scratch.

Campbell remarked: "The U.S. has no intention of dictating to its ally Japan." He then indicated Washington's willingness to continue dialogue with Japan up until the end of May, the deadline for Prime Minister Yukio Hatoyama to make a final decision, saying: "We would like to fully explain why the current plan is the right option."

After attending a Japan-U.S. Security Subcommittee (SSC) meeting Campbell told reporters: "I talked with friends in the Foreign Ministry and the Democratic Party of Japan. They explained that internal deliberations are still going on. ... I am willing to listen to their views." But he added: "We have the right to consider that any other options (than the existing plan) are meaningless."

With respect to the Marine Corps in Okinawa, Assistant Secretary Campbell emphasized: "They are playing a very important role." He went on to say: "The U.S. will move some functions of the corps to Guam, but it is strategically significant to leave its main part in Okinawa. ... I expect Japanese officials responsible for this issue will come to this conclusion.

5) Excerpts of remarks by U.S. Assistant Secretary of State Campbell

NIKKEI (Page 8) (Full)  
February 3, 2010

(Futenma and other issues)

We believe that the existing Futenma plan agreed on between the Japanese and U.S. governments is the best approach. Even so, the U.S. has no intention of dictating orders to its ally Japan. We are willing to respond to the views (of the Hatoyama administration) in a flexible manner and listen to them. Meanwhile, we also maintain the right to consider any plans other than the current plan to be meaningless.

The Marine Corps in Okinawa is playing a very important role in maintaining the U.S. forces' deterrence and capability to carry out strategic operations. Some of its functions will be moved to Guam, but it is strategically significant to leave its key part in Okinawa. I hope the concerned Japanese officials will come to this conclusion.

This year marks the 50th anniversary of the signing of the revised Japan-U.S. Security Treaty. On this occasion, the U.S. would like to enhance cooperation with Japan in the areas of the environment, energy, cyber security, and issues related to China.

(U.S.-North Korea, U.S.-China relations)

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I have no plan to visit North Korea or to meet (senior North Korean officials) at this point in time. If North Korea officially promises definitely to return to the Six-Party Talks, we might arrange a meeting in the U.S. Close cooperation among Japan, the U.S. and South Korea is vital. (U.S.-China relations) have become more strained over our plan to sell weapons to Taiwan and other issues. I do not think that China's military threat has decreased.

(Next-generation fighter (FX))

The U.S. has promised Japan that it will provide information (on the issue of introducing the FX) as much as possible. We would like to help Japan to be able to make the best choice. (The stealth fighter F-22) is not subject to information disclosure. (In selecting the FX,) I think the aspect of "production-sharing" will be taken into consideration more than before.

6) Campbell: U.S. cannot predict what the situation will be like in May regarding Futenma issue

ASAHI (Page 4) (Full)  
February 3, 2010

Yoichi Kato, senior writer

Visiting U.S. Assistant Secretary of State Kurt Campbell gave an interview to the Asahi Shimbun at the U.S. Embassy in Tokyo yesterday. "We cannot predict what the situation will be like at the final stage in May," Campbell said about the issue of relocating the U.S. Marine Corps' Futenma Air Station, indicating the U.S. government's inability to forecast future developments.

Campbell, who is in charge of Japan policy in the United States, also said, "We must deal with the matter flexibly by responding to a call for dialogue," while emphasizing that the existing agreement is the best. He was apparently taking care not to give the impression that the United States will unilaterally force the existing agreement on Japan.

At the same time, Campbell simply said that he "cannot comment" on Foreign Minister Katsuya Okada's reference to the possibility of the continued use of Futenma. He also noted: "(The Japanese side) makes new remarks and proposals almost daily. What we want is an orderly consultation process in which senior Japanese officials raise questions and proposals and we look into them jointly," expressing discontent with the current situation in which various ideas are being floated in the government and the ruling coalition.

7) Gist of remarks by Assistant Secretary of State Campbell

ASAHI (Page 4) (Full)  
February 3, 2010

(Futenma relocation issue)

The results of the mayoral election in Nago, Okinawa Prefecture, have made the situation more difficult. Decisions on critical issues like this that concern the Japan-U.S. alliance must be made at the government level. At today's Japan-U.S. talks of foreign and defense affairs officials at the director general level, we emphasized that the U.S. government still believes that the existing agreement is

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the right approach. At the same time, we are trying to take the delicate approach of preserving flexibility by lending an ear to the

Japanese side's views and responding to a call for a dialogue. But the fact is we cannot predict what the situation will be like at the final stage in May.

(Talks for deepening the bilateral alliance)

Why will the Japan-U.S. alliance continue to be vital? It needs a broader definition. We want to deepen discussions on problems in the Asia-Pacific region as well as on new global issues, such as cyber security and global warming.

(Policy toward China)

(On the Japan-U.S.-China equilateral triangle argument in the Democratic Party of Japan), an isosceles triangle would be a better approach. The United States and Japan are allies, and their respective relations with China are fundamentally different. But we support moves to promote closer ties between Japan and China for they will serve the interests of the United States.

8) Prime Minister Hatoyama rules out possibility of Futenma base remaining in current location

YOMIURI (Page 4) (Full)  
February 3, 2010

Asked by reporters at his office (Kantei) about Foreign Minister Katsuya Okada's comment implying the possibility of the U.S. military continuing its current use of Marine Corps Futenma Air Station in Okinawa, Prime Minister Yukio Hatoyama ruled out the possibility, saying: "Moving the Futenma airfield from its current location to elsewhere is the original purpose. If in the end the Futenma base remained in its current location, we would have failed to have accomplished our goal."

9) Base panel to visit Guam

MAINICHI (Page 3) (Full)  
February 3, 2010

The "Okinawa Base Issues Review Committee," a panel of the government and the ruling parties, held its fifth meeting yesterday at the prime minister's office over the question of where to relocate the U.S. military's Futenma airfield from its current location in Ginowan, Okinawa Prefecture, and decided to visit U.S. military bases on Guam in mid-February. The group of panel members visiting Guam will be headed by Deputy Chief Cabinet Secretary Yorihisa Matsuno and will be made up of panel members from the Social Democratic Party and the People's New Party and senior vice foreign and defense ministers. The panel will ask the U.S. government to accept the planned visit.

The government has explained that the planned visit to Guam is intended to confirm where 8,000 Okinawa-based U.S. Marines will be transferred in accordance with an intergovernmental agreement that was reached between Japan and the United States in 2006. However, the SDP regards Guam as a likely candidate for the relocation of Futenma airfield. "We'd like to see if they can accept (Futenma relocation)," Tomoko Abe, chief of the SDP's policy board, told reporters after the meeting, thereby indicating a difference from

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the government's explanation.

10) Government reports to U.S. on investigation into secret nuclear accords at Security Subcommittee meeting

YOMIURI (Page 2) (Full)  
February 3, 2010

The government gave a formal report to the U.S. side on the investigation process relating to the "secret agreements" between the two countries on the introduction of nuclear arms and other matters on Feb. 2. Kazuyoshi Umemoto, director general of the North American Affairs Bureau of the Ministry of Foreign Affairs, and other officials made the report to Assistant Secretary of State Kurt

Campbell and other U.S. officials at the bilateral Security Subcommittee meeting of bureau chief level officials in charge of foreign affairs and defense.

The report covered the status of the investigation and prospects for the future. It can be said that the Japanese side has begun the process of dealing with the aftermath of the investigation to make sure that even if the existence of past secret nuclear agreements is confirmed, it will not have an adverse effect on Japan-U.S. security policy, including the U.S.'s nuclear deterrence policy or the "nuclear umbrella," in the future.

11) Japan, U.S. begin to create joint document for deepened alliance

AKAHATA (Page 2) (Full)  
February 3, 2010

The Japanese and U.S. governments held a meeting of the "Japan-U.S. Security Subcommittee" (SSC) yesterday at the Foreign Ministry, with working-level officials for foreign affairs and defense attending from the two governments, and began to create a joint document to deepen the bilateral alliance in response to the 50th anniversary of the current bilateral security treaty. The two governments are aiming to reach an agreement this year after settling the pending issue of relocating the U.S. military's Futenma airfield from its current location in Ginowan, Okinawa Prefecture. Concerning the Futenma issue, the Japanese government explained that it would decide by the end of May on where to relocate the Futenma airfield facility.

However, the U.S. government reiterated its position calling for the Japanese government to implement the current plan to build an alternative facility in a coastal area of Camp Schwab, a U.S. military base located in Nago, Okinawa Prefecture.

The SSC meeting was held with the participation of Foreign Ministry North American Affairs Bureau Director General Kazuyoshi Umemoto and Defense Ministry Defense Policy Bureau Director General Nobushige Takamizawa from the Japanese government and Assistant Secretary of State for East Asian and Pacific Affairs Campbell and Assistant Secretary of Defense for Asian and Pacific Affairs Gregson from the U.S. government.

After the meeting, Campbell told reporters on the Futenma issue: "We clearly conveyed that the current plan is the best option. We will consult closely with Japan."

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12) Foreign Minister Okada to visit South Korea on Feb. 10

MAINICHI (Page 5) (Full)  
February 3, 2010

Foreign Minister Katsuya Okada announced yesterday at a press conference that he will visit South Korea on Feb. 10. The purpose of his trip to Seoul is to make advance arrangements for a visit to Japan by President Lee Myung-bak, which is slated for the first half of this year. Okada will stay in Seoul until Feb. 11 and exchange views with Foreign Affairs and Trade Minister Yu Myung-hwan on such issues as bilateral economic cooperation between the two countries and North Korea.

13) Japan, U.S. agree to cooperate in space exploitation

ASAHI (Page 4) (Abridged)  
February 3, 2010

Japan and the United States held an intergovernmental consultative meeting of working-level officials for foreign affairs and defense yesterday to deepen the bilateral alliance. In the meeting, the Japanese and U.S. governments agreed to step up bilateral cooperation in such areas as space exploitation. However, the gap over the Futenma issue was not closed and could become an obstacle to discussions.

In the meeting, Japanese and U.S. officials confirmed that they will consult on deepening the alliance in four specific areas: extended deterrence (nuclear umbrella), information security, space exploitation, and missile defense. According to U.S. Assistant Secretary of State Campbell, they also discussed strengthening cooperation over China.

14) U.S. calls for expanded application of eco-car subsidy system

YOMIURI (Page 2) (Full)  
February 3, 2010

Japan-U.S. working level talks to discuss Japan's environmentally-friendly vehicle (eco-car) subsidy system were held in Tokyo on Feb. 1. In this connection, it was learned on Feb. 2 that Deputy U.S. Trade Representative Demetrios Marantis during the meeting strongly urged the Japanese government to adopt additional measures, such as a review of Japan's fuel efficiency measurement law, which will lead to an increase in the number of U.S. vehicles eligible for the program. The Japanese side expressed its intention not to comply with the request. However, it now appears possible that the eco-car issue will develop into a trade issue between Japan and the U.S.

The government on Jan. 19 announced a policy of easing the conditions for eligibility for the eco-car subsidy program targeting imported cars. It was previously mandatory for the U.S. to measure the fuel efficiency of Japan-bound vehicles within Japan. However, as a new policy, Japan approved the measurement of the fuel efficiency of such vehicles in the U.S.

Concerning the easing of the policy, in response to the Japanese government's decision to adopt a method of measuring fuel efficiency based on urban-area driving, Marantis asked the Japanese side to adopt a method of measuring fuel efficiency that combines fuel

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efficiency for urban-area driving and for highway driving. This is because if fuel-efficiency is measured based on combined driving conditions, the measurement will show better fuel efficiency because highway driving accounts for 60 percent to 70 percent of the total driving distance, which increases the number of vehicles eligible for the subsidy. Referring to the strong intentions of the U.S. Congress, Marantis hinted at his determination to settle the matter as a political issue that goes beyond the working level, saying, "This is a political issue."

15) SDP, PNP agree to raise upper limit of postal savings to 30 million yen

YOMIURI (Page 7) (Excerpt)  
February 3, 2010

Social Democratic Party Secretary General Yasumasa Shigeno and People's New Party Secretary General Shozaburo Jimi on Feb. 2 held talks in Tokyo. During the meeting they agreed to raise the upper limit of deposits at Japan Post Bank (10 million yen per depositor) to 30 million yen in reviewing the postal privatization plan. They also agreed that the Japan Post Insurance subscription limit should be raised from the current 13 million yen to 50 million yen. The Democratic Party of Japan is also indicating a positive stance toward the idea of raising those limits. Chances are that discussions to raise the limits will accelerate.

16) Prosecutors considering not indicting DPJ Secretary General Ozawa for failure to report of 400 million yen in political fund accounting

ASAHI (Top play) (Abridged)  
February 3, 2010

It was learned that the prosecutors are considering not indicting Democratic Party of Japan (DPJ) Secretary General Ichiro Ozawa, who has been accused of violating the Political Funds Control Law (false reporting) in connection with the land deal involving Rikuzan-kai,

his political fund management organization, due to insufficient evidence.

The Special Investigation Division of the Tokyo District Prosecutors Office will continue to interrogate his three former secretaries, who have been arrested for violation of the Political Funds Law, until Feb. 4, the end of their detention period, and make a final decision on the criminal liability of the three secretaries and Ozawa. House of Representatives member Tomohiro Ishikawa, 36, Ozawa's former secretary who was in charge of administrative work, and Takanori Okubo, 48, his government-paid first secretary who was in charge of accounting, are expected to be indicted on Feb. 4. The degree of involvement of former secretary Mitsutomo Ikeda, 32, in this affair is apparently being studied carefully.

17) Land purchase issue stalls "Ozawa-brand" bills on local suffrage for permanent foreign residents, political reform, etc.

NIKKEI (Page 2) (Excerpts)

February 3, 2010

The violation of the Political Funds Control Law by Rikuzan-kai, Democratic Party of Japan Secretary General Ichiro Ozawa's fund management organization, in connection with its purchase of land is

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beginning to cast a shadow on bills set to be discussed during the current Diet session. Bills initiated by Ozawa to grant local suffrage to permanent foreign residents and on political reform are already beginning to lose momentum.

Many DPJ members are against the bill to grant local suffrage to permanent foreign residents. However, Ozawa pledged to South Korea President Lee Myung Bak during a meeting with him that he would make efforts for passage of the bill, and has managed to stave off opposition to it. In response to Ozawa's intention, Prime Minister Yukio Hatoyama indicated his eagerness to submit the bill as a government-sponsored bill on Jan. 12. The bill has been characterized as a de facto "Ozawa-brand" bill.

18) Gist of PM Hatoyama's responses on Futenma, Haiti aid, other issues at the Diet on February 2

YOMIURI (Page 9) (Excerpts)

February 3, 2010

Manifesto

We are in the process of implementing the specific policies included in the manifesto (campaign pledges), such as child allowances, income subsidies for farming households, and toll free expressways. It is also necessary to review the manifesto during the four years of the administration. We will continue to review revenues and expenditures thoroughly in and after FY2011 and do everything possible to secure revenue sources to realize the policies in the manifesto one by one.

Futenma relocation

The national government will be responsible for seeking the U.S.'s understanding and arriving at a conclusion by the end of May. I do not think that the Japan-U.S. relationship is in flux. Factors of uncertainty exist in Asia and the Pacific. The deterrence of U.S. Forces Japan (USFJ), including the U.S. forces in Okinawa, is important for Japan's security. It is unrealistic to demand the return (of the Futenma Air Station) without a replacement facility.

Aid for Haiti

We will be dispatching the Self-Defense Forces for UN peacekeeping operations (PKO) shortly. They will support the activities of NGOs positively. We would like to support the relief activities undertaken by many private companies and groups to help the victims of the major earthquake in Haiti based on the concept of the "new form of public sector."

19) Administrative vice ministers might be demoted to department directors general-level posts

NIKKEI (Page 2) (Full)  
February 3, 2010

Yoshito Sengoku, state minister for national strategy and administrative reform, said at a press conference yesterday after the cabinet meeting: "We will look into" a bill amending the National Public Service Law, which the government is expected to submit to the current Diet session, based on the assumption that "there would be a possibility of "including a provision to demote

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administrative vice ministers to department directors general-level (bucho-kyu) posts. Sengoku had explained that when senior government officials were appointed, the government would appoint "vice ministers (jikan) and bureau directors general (kyokucho)" and "department directors general (bucho) and deputy directors genera (shingikan)," and that administrative vice ministers would be demoted to bureau directors general.

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